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JOHN E. SONNELAND
President

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

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October 13, 1995

Dear Commission:

This letter is written in regard to 800 MHz SMR Auction Rulemaking (PR Docket #93-144).

Our company, together with hundreds of small businesses throughout the nation, is obviously seriously concerned about the adverse impact of the FCC's tentative proposal to auction wide-area 800 MHz Specialized Mobile Radio licenses to operate on the very same channels previously awarded to our company.

First, it is our understanding that Congress authorized the use of auctions only for initial licenses, and that the FCC has already licensed virtually all of the 800 MHz SMR channels on a station-by-station basis throughout the nation. We do not see how the FCC can classify, as "initial" licenses, wide-area 800 MHz SMR licensees superimposed on the existing local SMR licenses. Also, we do not see how this can be done without affecting our rights and those of other existing local licensees. Our company asks for clarification of these matters before the FCC issues an order in the matter.

Second, our company still does not understand why the FCC's 800 MHz SMR licensing process needs to be changed radically to favor wide-area services over local services at a time when 3-6 new wide-area PCS systems soon will be available throughout the nation. Now that the vast majority of 800 MHz SMR licenses have been assigned, what substantial administrative burdens continue to be imposed by station-to-station licensing? Have not Nextel and others been able to assemble wide-area SMR systems under the existing licensing rules? Other than Nextel, what SMR operators are advocating the replacement of the existing licensing rules by an "area-based" system? How does the FCC's proposed allocation of more than 71% of the 800 MHz SMR channels to wide-area use constitute a fair balance between large and small SMR systems? Why cannot the sparsely occupied 900 MHz SMR channels be allocated for wide-area services, while the heavily loaded 800 MHz channels, such as ours, are allowed to continue furnishing the localized services needed by small businesses?

Third, it is quite clear that **existing small businesses will not be protected** under the proposed scheme. Surely you do not believe that our company, for example, can successfully bid against Craig McCaw and Nextel, then construct wide-area systems throughout our part of the Pacific Northwest. Even if the FCC strictly and promptly enforces its rules, the probability of overwhelming small operators such as ourselves can occur with insurmountable legal and engineering costs in bringing interference and other problems to the attention of the Commission. Our attempts to obtain relief would be fatally damaged.

Finally, our company is deeply concerned about the adverse impacts upon our hundreds of small businesses that depend upon local SMR service, an impact that will be multiplied many-fold throughout the nation. Whereas firms doing business on a regional basis have access to cellular services (and soon PCS services), many ranchers, farmers, medical clinics, taxi services, contractors, realtors, alarm companies and other small businesses have come to rely upon inexpensive, local SMR dispatch services. Specifically, has the FCC made an attempt to determine whether these small businesses that I have cited want (or will pay the increased rates of) cellular-type, wide-area SMR services? Has the FCC made any attempt to estimate the disruptions and costs to these small businesses who are our customers for SMR services, or who would be forced to modify their existing radio equipment?

Should the FCC proceed with the proposed rulemaking as now outlined, the rights of existing licensees throughout our country will be trampled, Nextel's system will be additive to existing cellular, and up to six wide-area PCS systems and systems such as Courtesy Communications will be financially unable to bid successfully against the giants of industry, nor protect themselves from predatory and conflicting interference, and our customers will be forced into more expensive communication services for which they have little or no need.

We strongly and urgently ask the Commission to do the right thing, to cancel its proposed auction of the 800 MHz SMR spectrum.

Sincerely,



John E. Sonneland

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